

MILLER & CHEVALIER

CHARTERED

655 FIFTEENTH STREET, N.W., SUITE 900
WASHINGTON, D.C. 20005-5701
(202) 626-5800 FAX: (202) 628-0858
WWW.MILLERCHEVALIER.COM

PUBLIC VERSION

F. AMANDA DeBUSK
(202) 626-6080
ADEBUSK@MILLCHEV.COM

November 13, 2001

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
Office of the United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Re: Section 203 Consideration of Certain Steel Products

Dear Ms. Blue:

On behalf of our client, Grant Prideco, Inc. and all of its U.S. and foreign subsidiaries and affiliates, please find enclosed Grant Prideco's request for the exclusion of tool joints for drill pipe from any remedy action in the above-referenced matter. Tool joints for drill pipe are included in the Committee's category 6, "carbon and alloy flanges, fittings and tool joints."

The attached request for exclusion has deleted confidential business information of Grant Prideco from Attachment A. This information consists of "business confidential" information within the meaning of 15 C.F.R. § 2003.6(a) in that it concerns or relates to commercial and financial information of value, the disclosure of which is not authorized by Grant Prideco or its customers and is not required by law. Thus, in accordance with 15 C.F.R. § 2003.6(a) and (b), we request that this information as included in the business confidential version of this submission be considered and treated as "business confidential" information and exempted and withheld from public inspection.

Please contact the undersigned if you have any questions regarding this submission.

Respectfully submitted,



Matthew M. Nolan
F. Amanda DeBusk
John E. Davis

Counsel to Grant Prideco, Inc.

Enclosures

PUBLIC VERSION

BEFORE THE
TRADE POLICY STAFF COMMITTEE

SECTION 203 CONSIDERATION OF CERTAIN STEEL PRODUCTS

REQUEST FOR EXCLUSION OF
TOOL JOINTS FOR DRILL PIPE
ON BEHALF OF GRANT PRIDECO, INC.

Matthew M. Nolan
F. Amanda DeBusk
John E. Davis

MILLER & CHEVALIER, CHARTERED
655 Fifteenth Street, N.W., Suite 900
Washington, D.C. 20005
(202) 626-5800

November 13, 2001

Counsel for Grant Prideco, Inc.

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EXECUTIVE SUMMARY

Tool joints, which are manufactured by Grant Prideco's subsidiaries in Mexico and Italy, should be excluded from any remedy. No party to the Section 201 proceedings other than Grant Prideco manufactures tool joints (which are used exclusively for drill pipe), and no company has requested relief for tool joints. No company in the U.S. has a dedicated tool joint facility (to the best of Grant Prideco's knowledge, there are only two munitions companies that make or have made tool joints) and that capacity is nowhere near enough to supply U.S. demand. Disruptions in the supply of tool joints to the U.S. market would adversely affect U.S. drill pipe and oil and gas producers. Imposing import relief on tool joints would not remedy any injury suffered by the domestic fittings, flanges and tools joints industry (members of that industry have stated that they have no interest in tool joints), and tool joints do not appear to have been taken into account by the ITC in its analysis of the impact of imports (since tool joints are measured in units, not tons). Statutory requirements and public policy considerations support exclusion of tool joints from any remedy imposed by the President.

I. THE PRESIDENT HAS BROAD DISCRETION TO EXCLUDE TOOL JOINTS FROM ANY REMEDY.

Sections 201-203 of the Trade Act of 1974 and the obligations of the United States under the WTO's Safeguards Agreement require that any safeguard remedy implemented by the President target only the sectors of the domestic industry that actually are suffering or are threatened by the serious injury from the subject imports.¹ The President also must ensure that

¹ The cumulative impact of any safeguard relief must "*not exceed the amount necessary to prevent or remedy the serious injury.*" (emphasis added). 19 U.S.C. § 2253(e)(2) (2001). Under Article 5(1) of the WTO Agreement on Safeguards, a member state "shall apply safeguard measures *only to the extent necessary to prevent or remedy the serious injury and to facilitate adjustment.*" (emphasis added). See also *Korea--Definitive Measure on Imports of Certain Dairy Safeguard Products*, Report of the Appellate (footnote continued on next page)

any remedy serves national economic and security interests of the United States and provides greater economic and social benefits than costs.²

In prior Section 201 investigations, the U.S. International Trade Commission (ITC) has recommended and the President has ordered exclusions of certain products that are either unavailable domestically or in short supply.³ The President has in past cases used his statutory discretion to expand the ITC's recommended list of products for exclusion from relief.⁴ As discussed below, tool joints for drill pipe offer a clear case for exclusion.

II. ANY REMEDY SHOULD EXCLUDE TOOL JOINTS FOR DRILL PIPE

A. Grant Prideco's Tool Joints Operations

Grant Prideco is the United States' and world's largest manufacturer and supplier of drill pipe.⁵ The International Association of Drilling Contractors has estimated that Grant Prideco

(footnote continued from previous page)

Body, WT/DS98/AB/R, para. 96, adopted Dec. 14, 1999; *United States--Definitive Safeguard Measures on Imports of Circular Welded Carbon Quality Line Pipe from Korea*, Report of the Panel, WT/DS202/R, para. 7.78 Oct. 29, 2001 ("[Article 5(1) of the Safeguards Agreement] leaves no room for doubt that it imposes an *obligation* on a Member applying a safeguard measure to ensure that the measure applied is commensurate with the goals of preventing or remedying serious injury and of facilitating adjustment.").

² 19 U.S.C. § 2253(a)(1)(A), (F), (I).

³ See, e.g., *Proclamation 7273, To Facilitate Positive Adjustment to Competition from Imports of Certain Steel Wire Rod*, 65 Fed. Reg. 8621, 8623-25 (Feb. 16, 2000); Technical Corrections to the Harmonized Tariff Schedule of the United States, 65 Fed. Reg. 13815 (Mar. 14, 2000); TA-201-69, USITC Pub. 3207, at I-4, I-56 & n.12 (Jul. 1999) (recommendations of Vice Chairman Miller and Commissioner Koplan); *Proclamation 5074, Temporary Duty Increase and Quantitative Limitations on the Importation Into the United States of the Certain Stainless Steel and Alloy Tool Steel*, 48 Fed. Reg. 33233 (Jul. 21, 1983); TA-201-48, USITC Pub. 1377 at 47-49 (May 1983) (recommendations of Commissioners Stern and Haggart).

⁴ See *Proclamation 7273*, at 8623-25.

⁵ Drill pipe was included in the ITC's "seamless OCTG" category in this investigation, as to which the Commission made negative injury determination. See *Commissioners' Determinations in TA-201-73 Steel*, October 22, 2001, ITC Press Rel. (Oct. 23, 2001) [hereinafter *Commissioners' Determinations*]. Grant Prideco had requested that tool joints be considered as part of drill pipe. For more information on drill pipe, see Grant Prideco's Prehearing Injury Brief (Sept. 12, 2001) at 2-13.

supplies approximately 70% of the drill pipe utilized in the United States. Grant Prideco is the primary supplier of drill pipe to all of the key contract drillers and operators involved in the exploration and development of oil and gas in the United States and the world. As a U.S.-based company, Grant Prideco has the vast majority of its employees, operations, and assets in the United States. It has around 3,000 employees in the United States, including 2,450 in Texas, 278 in Oklahoma, and 144 in Louisiana.

To support its U.S.-based operations, Grant Prideco has made certain key international investments that have enabled it to become the only vertically integrated drill pipe manufacturer in the world. Specifically, Grant Prideco manufactures and sources the tool joints⁶ used in its drill pipe operations at its plants in Mexico (Grant Prideco de Mexico) and Italy (CMA Canavera SpA). In doing so, Grant Prideco has become the world's largest manufacturer and consumer of highly engineered and specialized tool joints for drill pipe. Grant Prideco is not aware of a single steel mill in the United States engaged in the manufacture of tool joints for drill pipe or any domestic manufacturers (individually or combined) with the capacity to meet Grant Prideco's needs.

B. Tool Joints Covered in the Proceeding Are Used Only for Drill Pipe

1. Product Description

Grant Prideco requests exclusion of tool joints for drill pipe. Tool joints covered in the Section 201 proceeding are used only for drill pipe. Tool joints are highly specialized fittings that are friction-welded to processed drill pipe tubes to complete joints of finished drill pipe.

⁶ Tool joints fall within the ITC's "flanges, fittings, and tool joints" category, as to which the ITC made an affirmative injury determination in this investigation. *See Commissioners' Determinations.*

They enable the individual lengths, or joints, of drill pipe to be connected to one another, forming a drill string.⁷

Tool joints for drill pipe are used exclusively for this purpose. There are no substitutes for tool joints.

Tool joints are classified under HTS subheading 8431.43.8020 (tool joints, whether or not forged, suitable for use solely or principally with oil and gas machinery).⁸

2. Import Data

Grant Prideco is not aware of any tool joints that are imported into the United States except for those manufactured by its Mexican and Italian subsidiaries, which supply Grant Prideco as well as a large portion of one of its two competitors' needs. Attachment A contains import data for these tool joints.

3. Domestic Production and Consumption

Attachment A also contains Grant Prideco's estimates regarding data on production and consumption of tool joints. Grant Prideco is aware of two domestic manufacturers of tool joints: Chamberlain and Primex. Both of these are defense contractors (they make bullets, artillery shells and other munitions) without dedicated tool joint operations; however, they do manufacture tool joints from time to time, and Grant Prideco has made purchases. In 2001, OMSCO purchased the tool joint manufacturing assets of Primex (and no longer purchases tool joints from Grant Prideco's foreign affiliates). Neither Chamberlain nor Primex has the capacity to supply Grant Prideco.

⁷ See also Grant Prideco's Exclusion Data Sheet filed on October 17, 2001 [contained in Attachment A].

⁸ See *id.* See also *Oil Country Tubular Goods from Argentina, Italy, Japan, Korea, and Mexico*, Inv. Nos. 701-TA-364 (Review) and 731-TA-711, 713-716 (Review), USITC Pub. 3434 (June 2001) ("2001 OCTG Sunset Review") at I-19 (discussing tool joints).

Tool joint demand follows demand for drill pipe generally. Thus, given current gas prices and the general economic downturn, Grant Prideco estimates that U.S. demand will be down in the first part of 2002, rebounding to 2001 levels during the second half of the year. Thereafter, U.S. consumption will depend on changes in oil and gas prices and long-term economic fundamentals. Studies by the U.S. Government and private analysts alike generally point to an increase in drilling in the United States during the period 2002-2005. Attachment A contains consumption projections for tool joints based on this conclusion.

C. Basis for Exclusion of Tool Joints for Drill Pipe

1. No U.S. Producer Has Requested a Remedy for Tool Joints

To date, no U.S. producer has requested import relief for tool joints. U.S. producers of flanges and fittings who requested relief in this case have confirmed that they do not make tool joints.⁹

2. Imports of Tool Joints Do Not Injure or Threaten Any U.S. Producer

No U.S. producer requesting relief produces tool joints for drill pipe, and imports of these articles are not injuring U.S. producers of fittings, flanges and tool joints (fittings and flanges are not substitutes for tool joints). In the absence of such injury, any remedy action against tool

⁹ See *In the Matter of Steel (Remedy Phase)*, Inv. No. TA-201-73, Hrg. Tr. at 792-93 (Nov. 8, 2001) (“COMMISSIONER HILLMAN: Is there anything anybody here can tell us about what we should or should [not] be doing with respect to tool joints? MR. SCHAGRIN: ...[N]one of these industry producers make tool joints. You can ask these fittings producers. To my knowledge, I don’t think anyone knows more about that than Grant Prideco and I don’t know of tool joint manufacturers other than them...We don’t have any other members of our committee on pipe and tube imports who produce any tool joints. COMMISSIONER HILLMAN: Okay. I don’t know whether anybody on the fittings or flanges side wants to comment on whether – again, whether there’s anything they want to say about what remedy we should or should not impose on tool joints and whether it would or would not have any effect on fittings, flanges, flange forgings? MR. KRIESBERG: None of our three companies make tool joints.... MS. ELLSWORTH: ...I understand that there is some U.S. production of tool joints. However, we’re not in a position to speak on their behalf.”)

joints is unnecessary.¹⁰ U.S. flanges and fittings producers supporting relief have stated that tool joints could be excluded from the Commission's definition of the "like product" covering flanges and fittings.¹¹ Those producers do not consider themselves injured by tool joints. In fact, not a single producer testified or presented information in a brief to the ITC alleging that tool joints cause injury.

The data in the Commission's Staff Report for "flanges, fittings, and tool joints" do not include data for HTS subheading 8431.43.8020 (tool joints) "because the import quantity collected was in units rather than weight."¹² Since the Commission's analysis of injury based on the volume of imports in the flanges and fittings category therefore did not include data on tool joints, imports of tool joints were not a factor in the serious injury found by the Commission for the flanges, fittings and tool joints category. In summary, there is absolutely no data on the record that imports of tool joints injured or threatened a domestic industry. On the contrary, there is significant testimony and information supporting the fact that restricting tool joint imports would damage the domestic drill pipe industry and its customers.

3. Any Restrictions on Imports of Tool Joints for Drill Pipe Would Adversely Affect the National Economic and Security Interests of the United States

Any disruption in imports of tool joints would harm the U.S. drill pipe and oil and gas exploration industries. Because there is virtually no domestic supply of tool joints, Grant Prideco and other producers of drill pipe must depend on imports of tool joints to ensure sufficient supplies. If their supply of tool joints were disrupted, Grant Prideco and at least one of

¹⁰ See 19 U.S.C. §§ 2252(e)(3); 2253(e)(2).

¹¹ See Harris Ellsworth & Levin, ITC Posthearing Brief in Support of Affirmative Injury Determination (Oct. 10, 2001) at 4, n.9.

¹² *Id.* See USITC DataWeb at <http://dataweb.usitc.gov/scripts/steel.asp>.

its main competitors could not meet customer demand for finished drill pipe. There are no substitutes for tool joints for drill pipe.

Imposing import restrictions on tool joints would place U.S. drill pipe producers at a competitive disadvantage with their foreign competitors. Depending on the remedy, U.S. drill pipe producers might be unable to access tool joint supplies, but foreign producers would have such access. Foreign producers would then be able to import their finished drill pipe into the United States, because the Commission made a negative finding regarding injury by such imports (as part of its findings on seamless OCTG). Making U.S. producers unable to compete in the U.S. market with foreign competitors is fundamentally incompatible with the purpose of safeguard actions and the U.S. national economic interest.

Any import measures on tool joints for drill pipe would also in turn adversely affect oil and gas exploration and development by U.S. companies. Grant Prideco is the primary and often exclusive supplier of drill pipe for major exploration and development projects in the United States and around the world. Without access to sufficient imports of tool joints, Grant Prideco would be unable to fill this role. Recognizing this and the potential safety and environmental issues that could arise without access to the high-quality product produced by Grant Prideco using its imported tool joints, the major drilling companies in the United States (accounting for over 70% of drilling activity) and the International Association of Drilling Contractors oppose any restrictions on drill pipe, including imports of tool joints.¹³ Members of Congress have notified the Commission regarding their opposition to any remedy on drill pipe or its components

¹³ See Attachment B.

due to such a remedy's adverse effects on local employment and on the ability to develop much needed energy sources in the United States.¹⁴

If faced with such a disadvantage, Grant Prideco would be forced to consider moving parts of its drill pipe production outside of the United States. Such a move would likely impact employees in the United States. Such an economic impact in the absence of any injury would be perverse.¹⁵

4. There Are No Circumvention Issues

There are no substitutes for tool joints that could be used to replace the imports affected by the remedy. Tool joints imported under HTS subheading 8431.43.8020 are only used for drill pipe.¹⁶ There is no overlap with other flanges and fittings subject to this investigation because tool joints for drill pipe do not have the same product characteristics, HTS number, or end uses as fittings and flanges.¹⁷ Due to the specificity and narrowness of the HTS number for tool joints, and the fact that tool joints can only be used in the manufacture of drill pipe, there are no circumvention issues with the exclusion of tool joints from any remedy. No possibility of circumvention has been alleged by any party to these proceedings.

Any remedy against imports of tool joints for drill pipe would remedy injury where there is none, hurt the U.S. drill pipe industry (Grant Prideco is the only U.S. producer involved in

¹⁴ See Attachment C.

¹⁵ Grant Prideco is one of the largest U.S. employers participating in this Section 201 investigation and has substantially more U.S. employees than all of its competitors combined.

¹⁶ Tool joints for drill pipe fall into HTS Chapter 84, while all other products included in the “flanges, fittings, and tool joints” category fall under HTS Chapter 73, which is the general classification category for “tube or pipe fittings of iron or steel.” See *Steel*, Questionnaire General Information, Instructions, and Definitions at 13-14. Because the HTS subheading for tool joints specifies “for oil and gas field machinery,” there are no circumvention issues relating to other flanges and fittings.

¹⁷ See 2001 OCTG Sunset Review at I-19 (discussing specialized features of tool joints).

these proceedings that has an interest in tool joints, and it opposes any remedy), and harm U.S. energy interests. Imports of tool joints for drill pipe therefore should be excluded from any remedy recommendation.

III. CONCLUSION

For the foregoing reasons, the President should exclude tool joints for drill pipe from any safeguard remedy.

Respectfully submitted:

A handwritten signature in black ink, appearing to read 'Matthew M. Nolan', is written over a horizontal line.

Matthew M. Nolan
F. Amanda DeBusk
John E. Davis

ATTACHMENT 1

DATA ON IMPORTS, U.S. PRODUCTION, AND U.S. CONSUMPTION



UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC



STEEL, Inv. No. TA-201-73

Public Version

EXCLUSION REQUEST DATA SHEET

If you are interested in requesting that specific products be excluded from this investigation, please supply the following information to the Commission by no later than Wednesday, October 17, 2001. Complete a separate exclusion request form for every product you are requesting an exclusion for. You may fax the completed form to the attention of D.J. Na at 202-205-3205.

Firm: GRANT PRIDECO	Fax #: 833-681-8688						
Contact person: PHILIP CHOYCE	Email address: philip.choyce@grantprideco.com						
Have you submitted an exclusion request in a previous letter? YES							
HTS number(s) covering the product requested for exclusion: Tool Joints 8431.43.8000							
Detailed description of product requested for exclusion (please do not only refer to the model number): See attached definition.							
Quantity (in short tons) of U.S. imports of product requested for exclusion:							
Source	1996	1997	1998	1999	2000	Jan.-June 2000	Jan.-June 2001
Canada							
Mexico							
All others							
Total							
Value (landed, duty-paid in U.S. dollars) of U.S. imports of product requested for exclusion:							
Source	1996	1997	1998	1999	2000	Jan.-June 2000	Jan.-June 2001
Canada							
Mexico							
All others							
Total							
Estimated quantity (in short tons) of U.S. producers' U.S. commercial shipments (not including internal consumption or exports) of product requested for exclusion (please indicate basis for estimates):							
Source	1996	1997	1998	1999	2000	Jan.-June 2000	Jan.-June 2001
Total							

Public Version

Product Definition

Tool joints for drill pipe

HTS 8431.43.8020 Tool joints, whether or not forged, suitable for use solely or principally with oil and gas machinery

APPENDIX A
SUMMARY INFORMATION/U.S. CONSUMPTION
TOOL JOINTS FOR DRILL PIPE

Quantities in tons.

					Jan-June	Jan-June
	1996	1997	1998	1999	2000	2001

Tool Joints (1)

Total Imported Tool Joints

Total Domestic Produced Tool Joints (2)

Total Tool Joints: U.S. Consumption

(1) Can include products ultimately rejected, overallotments and WIP held in inventory.
 Generally speaking, tool joints are ordered 4 to 6 months in advance of shipping.

(2) Based on Grant Prideco's estimates.

**APPENDIX A
U.S. PROJECTED CONSUMPTION
TOOL JOINTS FOR DRILL PIPE**

Quantities in tons.

	2001	2002	2003	2004	2005
Tool Joints					
Projected U.S. Consumption ¹					

¹ Based on Grant Prideco's estimates,

Appendix A

U.S. PRODUCTION OF TOOL JOINTS (BASED ON DOMESTIC PURCHASING INFORMATION)

All Quantities in Tons

	1996	1997	1998	1999	2000	Jan-June 2000	Jan-June 2001
Tool Joints (estimates)							

(2) Estimated data. Grant Prideco does not have specific domestic data for these companies. Such data from the recent OCTG Sunset Reviews by the ITC was not published and it remains confidential. Grant Prideco, however, does believe it can make a very reasonable approximation of these amounts based upon its general knowledge of these companies operations, capacities and purchasing habits. _____

**APPENDIX A
IMPORT DATA**

All Quantities in Tons

					Jan-June	Jan-June
	1996	1997	1998	1999	2000	2001

Import Data for Tool Joints (1)

(4) Grant Prideco is not aware of any other importer of tool joints into the United States.

ATTACHMENT 2
LETTERS FROM GRANT PRIDECO CUSTOMERS



INTERNATIONAL ASSOCIATION OF DRILLING CONTRACTORS

P.O. Box 4287 • Houston, Texas 77210-4287 USA
 15810 Park Ten Place, Suite 242 • Houston, Texas 77084-6139 USA
 Phone: 1/281 578-7171 • Fax: 1/281 578-0589
www.iadc.org

Chairman
 Thomas P. Richards
 Grey Wolf Drilling Company

Vice Chairman
 C. Goodman Barber, Jr.
 Santa Fe Intl. Corp.

President
 Dr. Lee Hunt
 IADC

Secretary-Treasurer
 Lawrence R. Dickinson
 Diamond Offshore Drilling

Washington:
Senior Vice President
Government Affairs
 Brian T. Petty

1801 L Street, NW
 Suite 702
 Washington, DC
 20036-3508 USA

Phone: 1/202 899-0670
 Fax: 1/202 872-0047
 email: brian.petty@iadc.org

Netherlands:
 P.O. Box 1430
 8501 BC Nijmegen
 Netherlands

Phone: 31/24-6788882
 Fax: 31/24-3600759
 email: anna.otten@iadc.org

United Kingdom:
 Wood International Center
 Cruthshaw Drive, West Tullos
 Aberdeen AB12 3AG
 Scotland, U.K.

Phone: 44/1224-874800
 Fax: 44/1224-875600
 email: dennis.krahn@iadc.org

Middle East & Asia:
 P.O. Box 808
 Mina Al-Fahal, Postcode 116
 Muscat
 Sultanate of Oman
 Phone/Fax: 968-801180
 email: norman.edwards@iadc.org

Chairman Stephen Koplan
U.S. International Trade Commission
 500 E Street, S.W.
 Washington, D.C. 20437

November 5, 2001

Inv. No. TA-201-73 (remedy phase)

Dear Chairman Koplan:

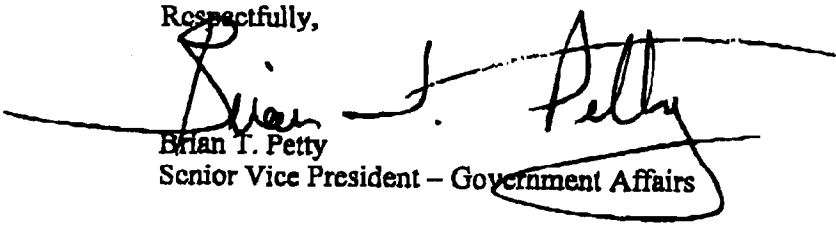
The International Association of Drilling Contractors (IADC) membership represents virtually all of the contract drillers in the United States and the world. As such, our membership is responsible for drilling virtually every oil and gas well in the United States. You have previously received letters from the IADC as well as some of the largest and most significant contract drillers in the United States expressing our concern over the current 201 investigation into steel imports. I am now writing you to express the unanimous view of the contract drilling industry that tool joints for oil and gas operations should be excluded from any remedy determination.

Tool joints are only utilized for manufacturing drill pipe. Without tool joints, it is impossible for drill pipe manufacturers in the United States to make the drill pipe that IADC's membership must have in order to continue to drill the oil and gas wells our country desperately needs. The vast majority of tool joints utilized by US manufacturers of drill pipe come from foreign sources. Domestic tool joint manufacturing capacity is very limited and not readily available. Thus, if tool joint imports are limited in any way, the ability of the IADC's membership to drill oil and gas wells will be adversely affected.

I participated in the recent injury hearings that covered tool joints for the oil and gas industry and I would encourage you to read the transcript as it pertains to tool joints. It was clear from the testimony that none of the petitioners participating in the injury hearing manufactured tool joints for the oil and gas industry or are injured or threatened with injury by tool joint imports.

In summary, IADC, on behalf of the contract drilling industry that it represents, requests that tool joints for the oil and gas drilling industry be excluded from any remedy determination.

Respectfully,


 Brian T. Petty
 Senior Vice President – Government Affairs



Public Version

Curtis W. Huff
President and Chief Executive Officer
281 297-8521 ** 281 297-8569 (Fax)
Curtis.Huff@grantprideco.com

August 24, 2001

Ambassador Robert Zoellick
U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Chairman Stephen Koplan
U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20437

The Hon. Donald L. Evans
Secretary of Commerce
U.S. Department of Commerce
14th and Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Sirs:

I am writing to you regarding the current Section 201 investigation into steel imports into the United States. Grant Prideco supports the efforts of the President and the International Trade Commission in this regard as we believe a strong and vibrant steel industry is extremely important to the United States' economy and national security. However, we believe that the scope of the 201 investigation should exclude my company's primary product: drill pipe used in the exploration and development of oil and gas.

As you may be aware, Grant Prideco is the largest drill pipe manufacturer in the United States and the world, manufacturing and supplying the majority of drill pipe used in the United States and the world each year. We also are the clear technological leader in drill pipe and are responsible for almost all of the significant improvements in drill pipe technology that have occurred during the past five years.

Since 1997, we have sought to assure our customers and the oil and gas industry of our ability to provide the highest quality drill pipe by assuming control of the complete manufacturing process. To achieve this objective, we acquired a majority interest in an Austrian tubular manufacturer and complete ownership of two international tool joint

Grant Prideco, L.P.

1450 Lake Robbins Drive, Suite 600 The Woodlands, Texas USA 77380 Tel: 281/297-8500 800/231-0263 Fax: 281/297-8525

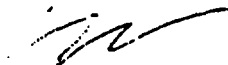
Public Version

manufacturers (one in Mexico and one in Italy). These acquisitions have allowed us to provide products that meet the increasing quality specifications of our customers as well as add flexibility in the manufacturing and scheduling process to meet the needs of our customers. In particular, our investment in our Austrian subsidiary has allowed us to manufacture drill pipe exceeding API specifications, which our customers now require. These acquisitions have also allowed us to remain competitive with our largest international competitor, IDPA of France, which also controls its source of green tube for drill pipe. It is very important to note that during this time, we have at all times remained a U.S. company, with the vast majority of our operations and employees residing in the United States.

You will find enclosed with this letter correspondence relating to the Section 201 Steel investigation from the United States' largest and most important contract drillers, rental companies, distributors and agencies. These customers are responsible for drilling the vast majority of oil and gas wells completed both onshore and offshore in the United States each year. All of these customers believe that our ability to supply them with the highest quality drill pipe that exceeds API standards is critical to their ability to meet the demands of the oil and gas industry and that the 201 investigation into drill pipe will bring this supply into question. We believe this unparalleled support from one of the United States' most important and critical industries and the impact on the Administration's energy policy should be considered heavily in any decision making process.

In summary, our nation needs a strong domestic oil and gas industry. We are dependent upon the drilling industry's ability to drill deeper, more complex wells that can operate safely in harsh and corrosive environments. We need the highest quality drill pipe and tool joints for these wells. We, and the entire contract drilling industry, ask that you terminate the 201 investigation into drill pipe (including green drill pipe and tool joints).

Sincerely,



Curtis W. Huff
President and Chief Executive Officer



Public Version

Curtis W. Huff
President and Chief Executive Officer
281 297-8521 ** 281 297-8569 (Fax)
Curtis.Huff@grantprideco.com

August 16, 2001

Ambassador Robert Zoellick
U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Chairman Stephen Koplan
U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20437

The Hon. Donald L. Evans
Secretary of Commerce
U.S. Department of Commerce
14th and Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Sirs:

The undersigned and attached signatures represent the largest drill pipe manufacturer and the largest contract drillers and distributors of drill pipe in the United States. We understand that at the request of the President, the International Trade Commission instituted a Section 201 investigation into steel imports into the United States to determine whether any rise in imports has resulted in serious damage to the U.S. steel industry. We also understand that the scope of this investigation covers imports of drill pipe into the United States (including the green drill pipe tubes and tool joints utilized to manufacture drill pipe). The purpose of this letter is to express our opposition to the 201 investigation to the extent it would limit in any way the quality and supply of drill pipe to the contract drilling industry. Any such limitations would adversely affect our nation's ability to safely drill oil and gas wells and increase our dependence on foreign oil.

Drill pipe is the principal mechanical tool (other than the rig) used to drill an oil and gas well. Its primary purpose is to connect the above surface drilling rig to the drill bit. An average drilling rig has an inventory of 10,000 to 25,000 feet of drill pipe associated with it. Almost all drill pipe utilized in the United States is manufactured domestically by U.S. companies. These manufacturers source raw materials (green drill pipe tubes and tool joints) from outside the United States. Green drill pipe is sourced primarily from foreign mills for quality reasons so that manufacturers can produce drill pipe exceeding American Petroleum Institute (API) standards. Tool joints are sourced

Grant Prideco, L.P.

1450 Lake Robbins Drive, Suite 600 The Woodlands, Texas USA 77380 Tel: 281/297-8500 800/231-0263 Fax: 281/297-8525

Public Version

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 2

from foreign sources primarily for quality reasons but also because of limited domestic capacity.

The oil and gas industry regularly requires drill pipe exceeding API standards because of changes in drilling that have occurred during the past five years. The wells that are drilled in the United States, both onshore and offshore, have become deeper and more complex; and they are subject to increasingly harsh and corrosive environments. A drill pipe failure could put human life at risk and have catastrophic environmental consequences. As a result, drillers put an increasing emphasis on the quality of drill pipe and the connecting tool joints. In most instances, this requires that the steel tubes utilized to manufacture drill pipe be sourced from foreign mills that can consistently manufacture to extremely high quality standards.

A 201 investigation into drill pipe is inconsistent with the President's domestic energy policy. Our country needs a strong domestic oil and gas industry. Our nation's energy crisis is real. All long term predictions show severe shortages, especially if drilling operations remain stagnant or are curtailed. Limiting the ability of domestic drillers to obtain high quality drill pipe would adversely affect our ability to drill oil and gas wells. It would reduce the number of wells that could be drilled, risk the safety of our drilling operations, increase the costs to consumers and make us less competitive with foreign suppliers.

We do not believe that imports of green drill pipe tubes and tool joints into the United States by domestic drill pipe manufacturers have had any adverse impact on the domestic steel industry. The volumes are too small to affect the steel industry.

In summary, our nation needs a strong domestic oil and gas industry. We are dependent upon the drilling industry's ability to drill deeper, more complex wells that can operate safely in harsh and corrosive environments. We need the highest quality drill pipe and tool joints for these wells. We ask that you terminate the 201 investigation into drill pipe (including green drill pipe and tool joints).

Sincerely,



Curtis W. Huff
President and Chief Executive Officer

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 3

Summary of Customer Signatories

Atwood Oceanics, Inc.
Big E Drilling
Bronco Drilling
Cactus Drilling Co.
Cruzen Drilling
Diamond Offshore
Global Marine Drilling Co.
Grey Wolf, Inc.
International Association of Drilling Contractors
Key Energy Service, Inc.
Marine Drilling
Nicklos Drilling Co.
Oil & Gas Rental Services, Inc.
Parker Drilling Co.
Platium Drilling
Pride International
Rowan Companies, Inc.
Thomas Energy Services, Inc.
Transocean Sedco Forex
Unit Drilling

Note: Separate letters sent by Nabors Industries, Inc., Pipeco, Inc., and Weatherford International, Inc.

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 3

Marine Deilling
By [Signature]

TRANSOCEAN
By [Signature]

DIAMOND OFFSHORE
By [Signature]

Armed Electronics, INC.
By [Signature]

By _____

By _____

By _____

By _____

By _____

By _____

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Received: 8/28/01 1:28:

1;
015 571 7170 -> JetFax M910; Page 2

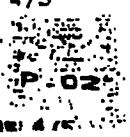
08/30/01 2:13; JetFax #280; Page 4/5

Aug-28-01 01:28P Key Energy-Midland Legal 915 571 7170

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1;

08/28/01 23:32; JetFax #288; Page 4/5



Public Version

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 3

Maxine Deilling
By [Signature]

J. RANSOUEAU
By [Signature]

DENNIS OTSHE
By [Signature]

Armed Services, Inc.
By [Signature]

KEY ENERGY SERVICES, INC.
By [Signature]
Steven A. Richards, VP-Drilling Ops

Big E Drilling
By [Signature] Executive V.P.

By _____

By _____

By _____

By _____

Public Version

Public Version

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 4

BRUNCO DRILLING
By Steve Hildebrand

By _____

By _____

By _____

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By _____

By _____

By _____

By _____

By _____

AUG 16 2001 01:21 PM FR GRANT PRIDECO - SALE397 8525 TO 3140501/PRG
50/50/5

Public Version

Public Version

Ambassador Robert Zoellick
Chairman Stephen Kephan
The Hon. Donald L. Evans
August 16, 2001
Page 3

Marine Drilling
By [Signature]

TRANS OCEAN
By [Signature]

DURAND OFFSHORE
By [Signature]

Armed Services, Inc.
By [Signature]

Key Energy Services, Inc.
By [Signature]
STEVEN A. RUMBERG, VP-Drilling Ops

Coastal Drilling Company
By [Signature]
JAMES A. WILLIS, Exec. V.P.

By _____

By _____

By _____

By _____

Public Version

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 4

CRUZENDR/9
By Robert Zoellick

By _____

By _____

By _____

By _____

By _____

By _____

By _____

By _____

By _____

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 3

Marine Drilling
By [Signature]

TRANSOCEAN
By [Signature]

DIAMOND OFFSHORE
By [Signature]

ATWOOD OCEANICS, INC.
By [Signature]

GLOBAL MARINE DRILLING CO.
By [Signature]
MARION WOOLIE - PRESIDENT

By _____

By _____

By _____

By _____

By _____

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 3

Marine Deilling
By [Signature]

TRANSOCEAN
By [Signature]

DIAMOND OFFSHORE
By [Signature]

Atwood Oceanics, Inc.
By [Signature]

Grey Wolf Inc.
By [Signature]

By _____

By _____

By _____

By _____

By _____

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 4

International Assoc. of Drilling Contractors
By [Signature] (A. Lee Hunt, Pres.)

By _____

By _____

By _____

By _____

By _____

By _____

By _____

By _____

By _____

Public Version

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 3

Marine Drilling
By [Signature]

TRANSOCEAN
By [Signature]

DIAMOND OFFSHORE
By [Signature]

ATWOOD OCEANICS, INC.
By [Signature]

KEY ENERGY SERVICES, INC.
By [Signature]
STEVEN A. RICHARDS, VP-DRILLING OPS

By _____

By _____

By _____

By _____

By _____

Public Version

Public Version

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 3

Marine Drilling
By [Signature]

TRANS OCEAN
By [Signature]

DIAMOND OFFSHORE
By [Signature]

STANDARD OIL
By [Signature]

Nicklas Drilling Company
By [Signature]

By _____

By _____


By _____

By _____

By _____

Public Version

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 3


By Burt A. Adams
President & CEO -- Oil & Gas Rental Services, Inc.

By _____

By _____

By _____

By _____

By _____

By _____

By _____

By _____

By _____

== TOTAL PAGE.05 ==

Public Version

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 4

International Assoc. of Drilling Contractors
By [Signature] (A. Lee Hunt, Pres.)

Parker Drilling Co.
By [Signature] Director of Purchasing

By _____

By _____

By _____

By _____

By _____

By _____

By _____

By _____

Public Version

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 3

Platinum DRI's
By Mike Grant Pres,

By _____

By _____

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By _____

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By _____

AUG 16 2001 3:21 PM FR GRANT PRIDECO - SALES97 8525 TO 914055317893 P.04/01

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 3

Marine Drilling
By R. Evans

TRANSOCEAN
By Det. [Signature]

DIAMOND OFFSHORE
By [Signature]

Arund Oceanics, Inc.
By [Signature]

PRIDE INTERNATIONAL
By [Signature]

By _____

By _____

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By _____

By _____

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 3

Rowan Companies, Inc.
By John Moore

Rowan International Inc
By John Moore

Rowan Companies, Inc.
By MDMOODY

Rowan Companies, Inc.
By Robert Evans

By _____

By _____

By _____

By _____

By _____

By _____

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 3

Rowan Companies, Inc
By [Signature]

Rowan International, Inc
By [Signature]

Rowan Companies, Inc.
By [Signature]

Rowan Companies, Inc.
By [Signature]

Rowan Companies, Inc.
By [Signature]

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*** TOTAL PAGE.04 ***

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August __, 2001
Page 3

Public Version


By Mac Thomas President & Chief Executive Officer
Thomas Energy Services, Inc.

By _____

By _____

By _____

By _____

By _____

By _____

By _____

C:\Documents and Settings\mthomas\Local Settings\Temporary Internet Files\OLK13B\Customer Form
Letter.201 Case Global.doc

Public Version

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 16, 2001
Page 3

Public Version

U.S.T. DRILLING
By Edward Stafford

By _____

By _____

By _____

By _____

By _____

By _____

By _____

By _____

By _____

Public Version



**NABORS
INDUSTRIES**

Eugene M. Isenberg
Chairman
Chief Executive Officer

August 16, 2001

Suite 1200
Houston, Texas 77067-4525
281-874-0035
281-775-8077 (Direct)
281-775-8472 (Fax)

Public Version

Ambassador Robert Zoellick
U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Chairman Stephen Koplan
U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20437

The Hon. Donald L. Evans
Secretary of Commerce
U.S. Department of Commerce
14th and Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Sirs:

Nabors Industries is the largest contract driller in the United States and is responsible for a large percentage of the wells drilled in the United States each year. We understand that at the request of the President, the International Trade Commission instituted a Section 201 investigation into steel imports into the United States to determine whether any rise in imports has resulted in serious damage to the U.S. steel industry. We support the efforts of the President and the International Trade Commission in this regard as we believe a strong and vibrant steel industry is extremely important to the United States' economy and national security.

We are concerned, however, that the scope of the Section 201 investigation may inadvertently harm industries and companies that also are extremely important to the United States' economy and national security. In particular, we understand that the scope of this investigation covers imports of drill pipe into the United States (including the green drill pipe tubes and tool joints utilized to manufacture drill pipe). We do not believe a limitation on drill pipe imports into the United States is necessary to protect the United States steel industry, and it would adversely affect our nation's ability to safely drill oil and gas wells and increase our dependence on foreign oil. Such a limitation also would limit our country's ability to remain the worldwide leader in drill pipe manufacture and technology.

Drill pipe is the principal mechanical tool (other than the rig) used to drill an oil and gas well. Its primary purpose is to connect the above surface drilling rig to the drill bit. An average drilling rig has an inventory of 10,000 to 25,000 feet of drill pipe associated with it. The overwhelming majority of drill pipe utilized in the United States is manufactured domestically

Public Version

by Grant Prideco, a U.S. company. Grant Prideco sources raw materials (green drill pipe tubes and tool joints) from outside the United States from operations that it owns and controls. It is important to note that the vast majority of Grant Prideco's operations and employees are in the United States, primarily in Texas. Grant Prideco's foreign operations complement its U.S. operations by allowing Grant Prideco to be a fully-integrated drill pipe manufacturer, controlling all aspects of the quality and supply of its products.

All of the drill pipe we now purchase is required to exceed American Petroleum Institute (API) standards. The wells that are drilled in the United States, both onshore and offshore, have become deeper and more complex; and they are subject to increasingly harsh and corrosive environments. A drill pipe failure could put human life at risk and have catastrophic environmental consequences. As a result, drillers such as ourselves put an increasing emphasis on the quality of drill pipe and the connecting tool joints. In most instances, we request that Grant Prideco source its green drill pipe from its own mill in order to insure the quality of the drill pipe we purchase. We are able to purchase drill pipe from sources other than Grant Prideco, often at lower prices, but prefer to purchase from a supplier that is able to control all aspects of the production and quality of its products.

A 201 investigation into drill pipe is inconsistent with the President's domestic energy policy. Our country needs a strong domestic oil and gas industry. Our nation's energy crisis is real. All long-term predictions show severe shortages, especially if drilling operations remain stagnant or are curtailed. Limiting the ability of domestic drillers to obtain high quality drill pipe would adversely affect our ability to drill oil and gas wells. It could reduce the number of wells that could be drilled, risk the safety of our drilling operations, increase the costs to consumers and make us less competitive with foreign suppliers.

We do not believe that imports of green drill pipe tubes and tool joints into the United States by Grant Prideco or other domestic drill pipe manufacturers have had any adverse impact on the domestic steel industry. The volumes are too small to affect the steel industry. In addition, given Grant Prideco's position as the United States' and world's pre-eminent drill pipe manufacturer and technological leader, we believe it is very important that it be able to control all aspects of the quality and deliverability of its product.

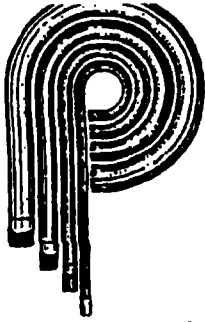
In summary, our nation needs a strong domestic oil and gas industry. We are dependent upon the drilling industry's ability to drill deeper, more complex wells that can operate safely in harsh and corrosive environments. We need the highest quality drill pipe and tool joints for these wells and we need to make sure that the United States remains the unquestioned leader in drill pipe manufacture and technology. We ask that you terminate the 201 investigation into drill pipe (including green drill pipe and tool joints).

Sincerely,



Eugene M. Isenberg
Chairman and CEO

cc: The Hon. Richard Cheney
Vice President of the United States



PIPECO
Pipeco Services
8203 Willow Place South, Suite 500
Houston, Texas 77070
Phone (281) 955-3500/Fax (281) 955-3525

Public Version

August 23, 2001

Ambassador Robert Zoellick
U.S. Trade Representative
600 17th Street, N. W.
Washington, D.C. 20508

Chairman Stephen Koplan
U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20437

The Hon. Donald L. Evans
Secretary of Commerce
U.S. Department of Commerce
14th and Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Sirs:

Pipeco is the largest distributor of drill pipe in the United States. We understand that at the request of the President, the International Trade Commission instituted a Section 201 investigation into steel imports into the United States to determine whether any rise in imports has resulted in serious damage to the U.S. steel industry. We also understand that the scope of this investigation covers imports of drill pipe into the United States (including the green drill pipe tubes and tool joints utilized to manufacture drill pipe). The purpose of this letter is to express our opposition to the 201 investigation to the extent it would limit the quality and supply of drill pipe we sell in the United States. Any such limitations would adversely affect our nation's ability to safely drill oil and gas wells and increase our dependence on foreign oil. It would also limit our country's ability to remain the dominant domestic and worldwide leader in drill pipe manufacturing and technology.

Drill pipe is the principal mechanical tool (other than the rig) used to drill an oil and gas well. Its primary purpose is to connect the above surface drilling rig to the drill bit. An average drilling rig has an inventory of 10,000 to 25,000 feet of drill pipe associated with it. The overwhelming majority of drill pipe utilized in the United States is manufactured domestically by Grant Prideco, a U.S. company. We purchase the majority of drill pipe

Public Version

that we sell from Grant Prideco. Grant Prideco sources raw materials (green drill pipe tubes and tool joints) from outside the United States from operations that it owns and controls. It is important to note that the vast majority of Grant Prideco's operations and employees are in the United States, primarily in Texas. Grant Prideco's foreign operations complement its U.S. operations by allowing Grant Prideco to be a fully-integrated drill pipe manufacturer, controlling all aspects of the quality and supply of its products.

We believe Grant Prideco's vertical integration strategy has significantly enhanced the quality and deliverability of the drill pipe we purchase and sell. Our customers regularly require drill pipe exceeding API standards because of changes in drilling that have occurred during the past five years. The wells that are drilled in the United States, both onshore and offshore, have become deeper and more complex; and they are subject to increasingly harsh and corrosive environments. A drill pipe failure could put human life at risk and have catastrophic environmental consequences. Our customers who drill oil and gas wells in the United States put an increasing emphasis on the quality of drill pipe and the connection tool joints. In many instances we require that the green drill pipe tubes be sourced from Grant Prideco's own steel mill to insure that the quality of the drill pipe meets our customers stringent standards.

A 201 investigation into drill pipe is inconsistent with the President's domestic energy policy. Our country needs a strong domestic oil and gas industry. Our nation's energy crisis is real. All long-term predictions show severe shortages, especially if drilling operations remain stagnant or are curtailed. Limiting the ability of domestic drillers to obtain high quality drill pipe would adversely affect our ability to drill oil and gas wells. It would reduce the number of wells that could be drilled, risk the safety of our drilling operations, increase the costs to consumers and make us less competitive with foreign suppliers.

We do not believe that imports of green drill pipe tubes and tool joints into the United States by Grant Prideco or other domestic drill pipe manufacturers have had any adverse impact on the domestic steel industry. The volumes are too small to affect the steel industry. In addition, given Grant Prideco's position as the United States' and world's pre-eminent drill pipe manufacturer and technological leader, we believe it is very important that it be able to control all aspects of the quality and deliverability of its product.

In summary, our nation needs a strong domestic oil and gas industry. We are dependent upon the drilling industry's ability to drill deeper, more complex wells that can operate safely in harsh and corrosive environments. We need the highest quality drill pipe and tool joints for these wells and we need to make sure that the United States remains the

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 23, 2001
Page 3

Public Version

unquestioned leader in drill pipe manufacture and technology. We ask that you terminate the 201 investigation into drill pipe (including green drill pipe and tool joints).

Sincerely,

A handwritten signature in black ink, appearing to read "C. David Mayse". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

C. David Mayse
Vice President

CDM/kc

Public Version

August 28, 2001

Ambassador Robert Zoellick
U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Chairman Stephen Koplan
U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20437

The Hon. Donald L. Evans
Secretary of Commerce
U.S. Department of Commerce
14th and Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Sirs:

Weatherford International, Inc. (NYSE: WFT) is one of the largest oil service companies in the world and a large user of drill pipe in the United States and the world. As such, our operations are involved in a significant percentage of the wells drilled in the United States. We understand that at the request of the President, the International Trade Commission instituted a Section 201 investigation into steel imports into the United States to determine whether any rise in imports has resulted in serious damage to the U.S. steel industry. We also understand that the scope of this investigation covers imports of drill pipe into the United States (including the green drill pipe tubes and tool joints utilized to manufacture drill pipe). The purpose of this letter is to express our opposition to the 201 investigation to the extent it would limit in any way the quality and supply of drill pipe. Any such limitations would adversely affect our nation's ability to safely drill oil and gas wells and would increase our dependence on foreign oil. It would also limit our country's ability to remain the worldwide leader in drill pipe manufacturing and technology.

Weatherford International, Inc.
515 Post Oak Blvd., Suite 600
Houston, Texas 77027
USA

713/683-4000 Main

www.weatherford.com

The overwhelming majority of drill pipe utilized in the United States is manufactured domestically by Grant Prideco, a U.S. company. Grant Prideco sources raw materials (green drill pipe tubes and tool joints) from outside the United States from operations that it owns and controls. It is important to note that the vast majority of Grant Prideco's operations and employees are in the United States, primarily in Texas. Grant Prideco's foreign operations complement its U.S. operations by allowing Grant Prideco to be a fully-integrated drill pipe manufacturer, controlling all aspects of the quality and supply of its products.

The oil and gas industry regularly requires drill pipe exceeding American Petroleum Institute (API) standards because of changes in drilling that have occurred during the past five years. This is particularly true for drill pipe that we rent as it often has specialized sizes and grades for use in the harshest well environments. The wells that are drilled in the United States, both onshore and offshore, have become deeper and more complex and are subject to increasingly harsh and corrosive environments. A drill pipe failure could put human life at risk and have catastrophic environmental consequences. As a result, our customers put an increasing emphasis on the quality of drill pipe and the connecting tool joints. As a result of Grant Prideco's vertical integration of its drill pipe operations, its ability to manufacture to specifications exceeding API standards has greatly improved, which has benefited our operations.

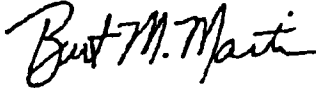
A 201 investigation into drill pipe is inconsistent with the President's domestic energy policy. Our country needs a strong domestic oil and gas industry. Our nation's energy crisis is real. All long-term predictions show severe shortages, especially if drilling operations remain stagnant or are curtailed. Limiting the ability of domestic drillers to obtain high quality drill pipe would adversely affect their ability to drill oil and gas wells. It would reduce the number of wells that could be drilled, risk the safety of drilling operations, increase the costs to consumers and make us less competitive with foreign suppliers.

We do not believe that imports of green drill pipe tubes and tool joints into the United States by Grant Prideco or other domestic drill pipe manufacturers have had any adverse impact on the domestic steel industry. The volumes are too small to affect the steel industry. In addition, given Grant Prideco's position as the world's pre-eminent drill pipe manufacturer and technological leader, we believe it is very important that it be able to control all aspects of the quality and deliverability of its drill pipe product. We have found that the quality and supply of Grant's drill pipe products have improved as a result of its vertical integration strategy.

In summary, our nation needs a strong domestic oil and gas industry. We are dependent upon the drilling industry's ability to drill deeper, more complex wells that can operate safely in harsh and corrosive environments. We need the highest quality drill pipe and tool joints for these wells and we need to make sure that the United States remains the unquestioned leader in drill pipe manufacturing and technology.

Accordingly, we request that you terminate the 201 investigation into drill pipe (including green drill pipe and tool joints).

Sincerely,

A handwritten signature in cursive script that reads "Burt M. Martin".

Burt M. Martin
Vice President



Public Version

September 4, 2001

Ambassador Robert Zoellick
U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Chairman Stephen Koplan
U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20437

The Hon. Donald L. Evans
Secretary of Commerce
U.S. Department of Commerce
14th and Constitution Avenue, N.W.
Washington, D.C. 20230

RE: TA-201-73; 201 Investigation

Dear Sirs:

Enclosed please find a copy of Patterson-UTI Energy, Inc.'s letter of support regarding the above referenced matter.

Please include this letter with the related information that was forwarded to you from our office on August 29, 2001.

I thank you in advance for your time and consideration.

Sincerely,

Philip Choyce
Vice President and General Counsel

Grant Prideco, L.P.

1450 Lake Robbins Drive, Suite 600 The Woodlands, Texas USA 77380 Tel: 281/297-8500 800/231-0223 Fax: 281/297-8525

Public Version



PATTERSON-UTI ENERGY, INC.

P.O. Box 1416, Snyder, TX 79550
4510 Lamesa Hwy., Snyder, TX 79549
Phone 915-573-1104 • Fax 915-573-7804

Public Version

August 30, 2001

Ambassador Robert Zoellick
U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Chairman Stephen Koplan
U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20437

The Hon. Donald L. Evans
Secretary of Commerce
U.S. Department of Commerce
14th and Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Sirs:

Patterson-UTI is one of the largest contract drillers in the United States and is responsible for a large percentage of the wells drilled in the United States each year. In fact, during the past year, Patterson-UTI was responsible for more footage drilled in the United States than any other contract driller. We understand that at the request of the President, the International Trade Commission instituted a Section 201 investigation into steel imports into the United States to determine whether any rise in imports has resulted in serious damage to the U.S. steel industry. We also understand that the scope of this investigation covers imports of drill pipe into the United States (including the green drill pipe tubes and tool joints utilized to manufacture drill pipe). The purpose of this letter is to express our opposition to the 201 investigation to the extent it would limit in any way the quality and supply of drill pipe to the contract drilling industry. Any such limitations would adversely affect our nation's ability to safely drill oil and gas wells and increase our dependence on foreign oil. It would also limit our country's ability to remain the dominant domestic and worldwide leader in drill pipe manufacturing and technology.

Drill pipe is the principal mechanical tool (other than the rig) used to drill an oil and gas well. Its primary purpose is to connect the above surface drilling rig to the drill bit. An average drilling rig has an inventory of 10,000 to 25,000 feet of drill pipe associated with it. The overwhelming majority of drill pipe utilized in the United States is manufactured domestically by Grant Prideco, a U.S. company. Grant Prideco sources

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its raw materials (green drill pipe tubes and tool joints) from outside the United States from operations that it owns and controls. It is important to note that the overwhelming majority of Grant Prideco's operations and employees are in the United States, primarily in Texas. Grant Prideco's foreign operations complement its U.S. operations by allowing Grant Prideco to be a fully-integrated drill pipe manufacturer, controlling all aspects of the quality and supply of its products.

Virtually all of the drill pipe we now purchase is required to exceed American Petroleum Institute (API) standards. The wells that are drilled in the United States, both onshore and offshore, have become deeper and more complex; and they are subject to increasingly harsh and corrosive environments. A drill pipe failure could put human life at risk and have catastrophic environmental consequences. As a result, drillers such as Patterson-UTI put an increasing emphasis on the quality of drill pipe and the connecting tool joints. In most instances, we request that Grant Prideco source its green drill pipe from its own mill in order to insure the quality of the drill pipe we purchase.

A 201 investigation into drill pipe is inconsistent with the President's domestic energy policy. Our country needs a strong domestic oil and gas industry. Our nation's energy crisis is real. All long-term predictions show severe shortages, especially if drilling operations remain stagnant or are curtailed. Limiting the ability of domestic drillers to obtain high quality drill pipe would adversely affect our ability to drill oil and gas wells. It would reduce the number of wells that could be drilled, risk the safety of our drilling operations, increase the costs to consumers and make us less competitive with foreign suppliers.

We do not believe that imports of green drill pipe tubes and tool joints into the United States by Grant Prideco or other domestic drill pipe manufacturers have had any adverse impact on the domestic steel industry. The volumes are too small to affect the steel industry. In addition, given Grant Prideco's position as the United States' and world's pre-eminent drill pipe manufacturer and technological leader, we believe it is very important that it be able to control all aspects of the quality and deliverability of its product.

In summary, our nation needs a strong domestic oil and gas industry. We are dependent upon the drilling industry's ability to drill deeper, more complex wells that can operate safely in harsh and corrosive environments. We need the highest quality drill

Ambassador Robert Zoellick
Chairman Stephen Koplan
The Hon. Donald L. Evans
August 30, 2001
Page 3

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Pipe and tool joints for these wells and we need to make sure that the United States remains the unquestioned leader in drill pipe manufacture and technology. We ask that you terminate the 201 investigation into drill pipe (including green drill pipe and tool joints).

Very truly yours,

A handwritten signature in black ink, appearing to read "Glenn Patterson". The signature is fluid and cursive, with the first name "Glenn" and last name "Patterson" clearly distinguishable.

Glenn Patterson
President

Public Version

ATTACHMENT 3

LETTERS AND STATEMENTS FROM MEMBERS OF CONGRESS

JOINT STATEMENT

**The Honorable Pete Sessions
The Honorable Joe Barton
The Honorable Kevin Brady
The Honorable John Culberson
The Honorable David Vitter**

**The Honorable Jim Turner
The Honorable Ken Bentsen
The Honorable Brad Carson
The Honorable Nick Lampson**

**Before the U.S. International Trade Commission
Section 201 Investigation of Steel Products, Inv. TA-201-73
October 4, 2001**

We submit this statement to urge the Commission to take a careful look at drill pipe. The Commission should find that there is no injury or threat of injury from imports of drill pipe, including green drill pipe tubes and tool joints.

Drill pipe imports are needed because of the energy shortage. The United States is the primary supplier of finished drill pipe for domestic and international use. The largest producer of drill pipe sources green drill pipe tubes from its overseas subsidiaries. This imported raw material is specially designed to meet demanding customer specifications. Without the rugged, stress-resistant, highly-engineered raw material, the safety of drilling operations could be compromised.

The U.S. drilling industry is overwhelmingly united on the need to remove drill pipe from the Section 201 investigation. The Commission has received letters from drillers accounting for about 70% of U.S. drilling operations, the International Association of Contract Drillers, and others in the oil and gas business. Clearly, the oil and gas industry needs the imported raw material so that drill pipe can meet requirements designed to keep drilling operations safe. No one in the oil and gas industry wants to put human and environmental safety at risk.

Current events make the need to protect our domestic drilling operations even more important. In times of national emergency, we may not be able to rely on offshore energy sources. We need to be able to drill here in the United States, and do so safely.

Without drill pipe imports, many U.S. jobs could be lost. The imported raw materials directly support over 3,000 jobs in the United States. In addition, many jobs throughout the entire oil and gas industry depend on a reliable supply of high quality drill pipe.

While drill pipe is a very small component of the steel industry the Commission is investigating, it is a segment that is critical to the oil and gas industry. There could be severe disruptions in the industry if a bottleneck were created because of a lack of high quality drill pipe. The Commission should look at drill pipe separately from other steel products. In particular, the Commission's examination of drill pipe should be separated from its examination of oil country tubular goods, the category of steel goods that now contains drill pipe. We urge the Commission, after it conducts the separate inquiry we propose, to find no injury or threat from drill pipe imports.

JOHN BREAUX
LOUISIANA

MAJORITY
CHIEF DEPUTY WHIP

COMMITTEES:

COMMERCE, SCIENCE, AND
TRANSPORTATION

FINANCE

RULES AND ADMINISTRATION

SPECIAL COMMITTEE ON ASIAN
CHALLENGES

Washington Office
(202) 224-4633
TDD (202) 224-1888

senator@breaux.senate.gov
<http://www.senate.gov/~breaux>

Chairman Stephen Koplan
U.S. International Trade Commission
500 E Street, S.W.
Washington, D. C. 20436

United States Senate

WASHINGTON, DC 20510-1803

September 6, 2001

STATE OFFICES:

2237 South Acadian Thruway, Suite 802
Baton Rouge, LA 70802
(225) 248-0104

U.S. Federal Courthouse Building
900 Lafayette Street, Suite 1300
Lafayette, LA 70501
(337) 243-0871

1800 North 18th Street, Suite 205
Metairie, LA 70001
(504) 336-3300

Half House Federal Building
501 Magazine Street, Suite 1800
New Orleans, LA 70130
(504) 586-2331

Central Louisiana
(504) 487-0446

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Re: Section 201 Steel Investigation, Inv. No.TA-201-73 .

Dear Chairman Koplan:

I am writing to request the exclusion of drill pipe (including green drill pipe tubes and tool joints) from the Section 201 investigation. It is important to exclude drill pipe because of the urgent need for drill pipe in the energy sector. We are in the midst of an energy crisis, and all of the key users of drill pipe in the United States require drill pipe produced from imported raw material.

The United States is the primary supplier of finished drill pipe for domestic and international use. The largest U.S. producer acquires green drill pipe tubes and tool joints from its overseas subsidiaries. Without the imported items needed to make finished drill pipe, the U.S. ability to provide drill pipe for the development of new supplies of oil and gas would be crippled.

Failure to exclude drill pipe could result in a substantial loss of jobs. The imported raw materials directly support over 3,000 jobs in the United States, primarily in the oil-producing states of Texas, Louisiana and Oklahoma. In addition, many jobs throughout the entire oil and gas industry depend on a reliable supply of high quality drill pipe.

We understand that the Commission may need to collect information on drill pipe as part of its investigation in order to exclude drill pipe at this stage of the proceedings. We ask that you promptly collect any needed information. That information would show that drill pipe has not contributed to any of the steel industry's problems and that its continued supply is vital to oil and gas industry operations.

We look forward to hearing from you on this important matter.

Sincerely,



JOHN BREAUX
United States Senator

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Congress of the United States

Washington, DC 20515

Public Version

September 7, 2001

The Honorable Stephen Koplan
U.S. International Trade Commission
500 E Street, NW
Washington, D.C. 20436-0003

Re: Section 201 Steel Investigation, Inv. No. TA-201-73

Dear Mr. Chairman:

We are writing to request the exclusion of drill pipe (including green drill pipe tubes and tool joints) from the Section 201 investigation. We understand that for you to exclude these items, it may be necessary to collect specific data on these items that the Commission is not currently collecting. Therefore, we urge you to expeditiously collect the needed information and conduct a full investigation of drill pipe.

A principal reason why drill pipe should be excluded from this investigation relates to the nation's energy shortage. The United States is the primary supplier of finished drill pipe for domestic and international use. The largest U.S. producer acquires green drill pipe tubes and tool joints from its overseas subsidiaries. Without the imported items needed to make finished drill pipe, the U.S. ability to provide drill pipe for the development of new supplies of oil and gas would be harmed significantly.

Failure to exclude drill pipe could result in a substantial loss of jobs. The imported raw materials directly support over 3,000 jobs in the United States. In addition, many jobs throughout the entire oil and gas industry depend on a reliable supply of high quality drill pipe.

Imports of drill pipe have not contributed to any of the steel industry's problems and are vital to oil and gas industry operations. We believe that the information we are asking the Commission to collect would support a no serious injury/no threat finding concerning drill pipe.

We look forward to hearing from you on this important matter.

Sincerely,

Pete Sessions

Jim Dineen

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Public Version

Joe Barton

~~Ken Berman~~

John Culberson

Dan Vitter

Red Carn

Mark Longman

Signatures

Pete Sessions

Jim Turner

Joe Barton

Brad Carson

Kevin Brady

Nick Lampson

John Culberson

David Vitter